

VZCZCXRO3186  
RR RUEHDE RUEHDH RUEHDIR  
DE RUEHAD #0743/01 2030705  
ZNR UUUUU ZZH  
R 220705Z JUL 09  
FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC 2751  
INFO RUEHDE/AMCONSUL DUBAI 8367  
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

UNCLAS SECTION 01 OF 02 ABU DHABI 000743

SENSITIVE  
SIPDIS

STATE FOR NEA/ARP AND ISN/CPI

E.O. 12958: N/A  
TAGS: [ECON](#) [ETRD](#) [KIPR](#) [PGOV](#) [PTER](#) [AE](#)  
SUBJECT: UAE FEDERAL CUSTOMS AUTHORITY (FCA) ROLE

ABU DHABI 00000743 001.2 OF 002

¶1. (SBU) SUMMARY: Each UAE emirate has its own customs body and regulations. In 2003, the UAEG created the Federal Customs Authority (FCA) to unify UAE customs policies and regulations. Since its establishment, the FCA has improved coordination among local customs agencies, represented the UAE at regional and international events, and signed cooperation agreements with foreign countries. The FCA has prepared a strategic plan for 2008-2010, focusing on developing UAE customs. However, despite the FCA's successes and efforts, each emirate still maintains significant independence in customs policy and enforcement. End Summary.

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FCA PURPOSE  
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¶2. (SBU) With the establishment of the GCC Customs Union in 2003, the UAE created the Federal Customs Authority (FCA) to unify UAE customs policies (Law No. 1 of 2003). The FCA is managed by a council chaired by the Finance Minister, with members of local customs departments' undersecretaries, and representatives from the Ministries of Finance and Economy. The council's decisions are implemented by the FCA's Director General, Mohammed Al Mehairi, whose position is equivalent to an undersecretary.

¶3. (SBU) FCA Information Director, Ameera Al-Sirkal told EconAssistant that the FCA is the UAE's customs policy maker and supervises local customs departments' regulations. According to Articles 4 and 5 of Law No. 1/2003, the FCA is responsible for establishing customs policies in cooperation with local customs departments. It is also responsible for unifying and supervising customs implementation, and protecting the country from commercial fraud and smuggling in cooperation with the concerned entities. The law authorizes the FCA to draft and supervise customs regulations and laws, suggest customs tariffs, maintain UAE customs data, supervise and inspect customs tariffs and enforcement procedures, unify customs documents and data, conduct training and development, represent the UAE at international, regional and Arab customs events; and implement GCC Customs Union requirements; and any other tasks to be decided by the Cabinet. Article 6 of the law stipulates, "Without prejudice to the customs departments rights in customs tariffs collection, FCA (shall) draft and implement a central customs tariffs collection mechanism with GCC countries."

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ACHEIVEMENTS  
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¶4. (SBU) Five years after its creation, the FCA has achieved a number of key objectives. Representing the UAE in the GCC Customs Committee and GCC Customs Clearance Committee, the FCA supported efforts to eliminate obstacles to GCC Customs Union implementation. In April 2009, the FCA proposed new regulations on the protection of intellectual property rights, including changes to the GCC Customs Law, and announced its intention to include similar provisions in

any bilateral agreements for customs cooperation with other countries. It has participated in UAE national committees, including those related to combating Weapons of Mass Destruction, anti-money laundering and financing terrorism, and consumer protection. It has contributed in the formation of Consumer Protection and Export Control laws. The FCA launched an electronic scheme to connect all UAE customs departments and established a unit in Dubai to study customs barriers. In June 2009, the FCA released the first-ever UAE comprehensive map of land, air and sea customs checkpoints.

15. (SBU) The FCA has signed an agreement with Pakistan on mutual assistance and cooperation on customs issues including prevention of customs violations, information exchange, combating illegal trade, and cooperation in technical assistance. It has signed other administrative and technical support agreements with Algeria, Tunisia, and Turkey. There are other agreements under discussion with the United States (DHS), UK, Japan, India, Morocco, Armenia, and Argentina.

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STRATEGIC PLANNING  
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16. (SBU) The FCA has prepared a strategic plan for 2008-2010 focused on developing UAE customs. Key goals include: 1) Building FCA capacity to assure customs and administrative performance quality; 2) Unifying and developing UAE customs and inspection procedures; 3) Ensuring the implementation of local, regional and international customs obligations; and 4) Promoting the role of UAE customs as a local, regional and international leader.

17. (SBU) COMMENT: Although unification of UAE customs policy is one of the FCA's main goals, in practice, Emirate-level customs departments still enjoy significant sovereignty over customs

ABU DHABI 00000743 002.2 OF 002

policies and implementation. There are cases where local customs agencies independently changed customs tariffs: Ras Al Khaimah cut bilateral tariffs twice in 2004 and 2005. As each emirate is responsible for enforcement, the FCA can only push policy changes that demand better IPR enforcement, inspection requirements and internationally required oversight. FCA officials struggle with interagency coordination issues, and have requested USG advice on improving oversight and coordination. It remains unclear if there is broader support - particularly at higher levels - for strengthening the role of the FCA. End Comment.  
GREENE